

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

FINANCIAL REPORT WITH
SUPPLEMENTARY INFORMATION

Year Ended March 31, 2008

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Township of Maple Ridge	County Alpena
Fiscal Year End March 31, 2008	Opinion Date July 1, 2008	Date Audit Report Submitted to State July 9, 2008	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>	N/A		
Certified Public Accountant (Firm Name) Campbell, Kusterer & Co., P.C.		Telephone Number 989-894-1040		
Street Address 512 N. Lincoln, Suite 100, P.O. Box 686		City Bay City	State MI	Zip 48707
Authorizing CPA Signature 		Printed Name Mark J. Campbell		License Number 1101007803

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

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CAMPBELL, KUSTERER & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

July 1, 2008

To the Township Board
Township of Maple Ridge
Alpena County, Michigan

We have audited the accompanying financial statements of the governmental activities and each major fund of Township of Maple Ridge, Alpena County, Michigan as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Township of Maple Ridge's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Township of Maple Ridge, Alpena County, Michigan as of March 31, 2008, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and budgetary comparison information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Township's basic financial statements. The other supporting information described in the accompanying table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Campbell, Kusterer & Co., P.C.
CAMPBELL, KUSTERER & CO., P.C.
Certified Public Accountants

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended March 31, 2008

This section of the Township of Maple Ridge annual financial report presents our discussion and analysis of the financial performance during the fiscal year ended March 31, 2008. Please read it in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Our financial status remained stable over the last year. Net assets at March 31, 2008, totaled \$641,349.23 for governmental activities. Of this total, \$459,036.97 represents capital assets net of depreciation and related debt. Overall, net assets decreased by \$37,094.51 from the prior year.

Overall revenues were \$219,732.63. Overall expenses were \$237,343.58.

We did not incur any new debt during the year.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts, management's discussion and analysis, the basic financial statements and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Township and the notes to the financial statements.

The first two statements are government wide financial statements and provide both long and short-term information about our overall financial status. These statements present governmental activities.

The remaining statements are fund financial statements, which focus on individual parts of the Township in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

ENTITY-WIDE FINANCIAL STATEMENTS

The entity-wide statements report information about the Township as a whole using accounting methods used by private companies. The statement of net assets includes all of the Township's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

The two entity-wide statements report net assets and how they have changed. Net assets are the difference between the entity's assets and liabilities and this is one method to measure the entity's financial health or position.

Over time increases/decreases in the entity's net assets are an indicator of whether financial position is improving or deteriorating.

To assess overall health of the entity you may also have to consider additional factors such as tax base changes, facility conditions and personnel changes.

All of the activities of the Township are reported as governmental activities. These would include the General Fund, and the Fire Debt Service Fund.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan
CONDENSED FINANCIAL INFORMATION
For the year ended March 31, 2008

	<u>Total Governmental Activities 2008</u>
Current Assets	182 312
Capital Assets	<u>494 375</u>
Total Assets	<u>676 687</u>
Current Liabilities	-
Non-current Liabilities	<u>35 338</u>
Total Liabilities	<u>35 338</u>
Net Assets:	
Invested in Capital Assets	459 037
Restricted	17 804
Unrestricted	<u>164 508</u>
Total Net Assets	<u>641 349</u>

	<u>Total Governmental Activities 2008</u>
Program Revenues:	
Fees and Charges for Services	37 895
General Revenues:	
Property Taxes	40 616
Other Taxes	4 166
State Revenue Sharing	122 889
Interest	7 339
Miscellaneous	<u>6 828</u>
Total Revenues	<u>219 733</u>
Program Expenses:	
Legislative	3 200
General Government	175 894
Public Safety	55 123
Public Works	6 555
Recreation and Culture	14 128
Interest on Long-Term Debt	<u>1 928</u>
Total Expenses	<u>256 828</u>
Increase (Decrease) in Net Assets	(37 095)
Net Assets, April 1	<u>678 444</u>
Net Assets, March 31	<u>641 349</u>

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended March 31, 2008

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's funds, focusing on significant (major) funds not the Township as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. The Township Board also may create them. Funds are established to account for funding and spending of specific financial resources and to show proper expenditures of those resources.

The Township has the following types of funds:

Governmental Funds: All of the Township's activities are included in the governmental fund category. These funds are presented on the modified accrual basis, which is designed to show short-term financial information. You will note that the differences between the Township's government-wide statements and the fund statements are disclosed in reconciling statements to explain the differences between them. The Township's governmental funds include: the General Fund, and the Fire Debt Service Fund.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net Assets: The Township's net assets decreased \$37,094.51 during the year ended March 31, 2008, totaling \$641,349.23.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

General Fund: This fund is used to record all activities of the Township not required to be recorded in a separate fund. This would include legislative, administrative, elections, public safety, building and grounds, and refuse collection. The major source of revenue for the general fund is from the Township tax base and the revenue sharing from the State of Michigan. The major expenses for this fiscal year include the upgrades to the Township's Fire Department.

Fire Debt Service Fund: This is used to account for fire long-term debt. The major source of revenue is from the Township tax base.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Additions to the Township's governmental activities capital assets for this year totaled \$1,278.00.

During the year ended March 31, 2008, the Township paid \$8,829.64 of principal on long-term debt from the governmental activities.

KNOWN FACTORS AFFECTING FUTURE OPERATIONS

The Township's plans for the future include improvements to the Township Fire Hall Building.

CONTACTING THE TOWNSHIP'S MANAGEMENT

This financial report is intended to provide our taxpayers with a general overview of the Township's finances and to demonstrate the Township's accountability for the revenues it receives. If you have any questions concerning this report please contact Tammy Schultz, Clerk, or Tom Ritter, Supervisor, by calling (989)356-0744 between 9 a.m. and 5 p.m., Tuesday through Thursday.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

GOVERNMENT-WIDE STATEMENT OF NET ASSETS
March 31, 2008

	<u>Governmental Activities</u>
ASSETS:	
CURRENT ASSETS:	
Cash in bank	102 153 96
Investments	74 265 00
Taxes receivable	<u>5 893 30</u>
Total Current Assets	<u>182 312 26</u>
NON-CURRENT ASSETS:	
Capital Assets	800 729 57
Less: Accumulated Depreciation	<u>(306 354 99)</u>
Total Non-current Assets	<u>494 374 58</u>
TOTAL ASSETS	<u><u>676 686 84</u></u>
LIABILITIES AND NET ASSETS:	
LIABILITIES:	
CURRENT LIABILITIES	<u>-</u>
Total Current Liabilities	<u>-</u>
NON-CURRENT LIABILITIES:	
Loan payable	<u>35 337 61</u>
Total Non-current Liabilities	<u>35 337 61</u>
Total Liabilities	<u>35 337 61</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	459 036 97
Restricted	17 804 08
Unrestricted	<u>164 508 18</u>
Total Net Assets	<u>641 349 23</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>676 686 84</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
Year ended March 31, 2008

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Governmental Activities</u>
		<u>Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
FUNCTIONS/PROGRAMS			
Governmental Activities:			
Legislative	3 199 65	-	(3 199 65)
General government	175 893 58	22 046 45	(153 847 13)
Public safety	55 122 98	15 848 38	(39 274 60)
Public works	6 555 11	-	(6 555 11)
Culture and recreation	14 128 18	-	(14 128 18)
Interest on long-term debt	<u>1 927 64</u>	<u>-</u>	<u>(1 927 64)</u>
Total Governmental Activities	<u>256 827 14</u>	<u>37 894 83</u>	<u>(218 932 31)</u>
General Revenues:			
Property taxes			40 616 05
Other taxes			4 165 63
State revenue sharing			122 889 34
Interest			7 338 63
Miscellaneous			<u>6 828 15</u>
Total General Revenues			<u>181 837 80</u>
Change in net assets			(37 094 51)
Net assets, beginning of year			<u>678 443 74</u>
Net Assets, End of Year			<u>641 349 23</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

BALANCE SHEET – GOVERNMENTAL FUNDS
March 31, 2008

	<u>General</u>	<u>Other funds (Fire D/S)</u>	<u>Total</u>
<u>Assets</u>			
Cash in bank	84 349 88	17 804 08	102 153 96
Investments	74 265 00	-	74 265 00
Taxes receivable	5 893 30	-	5 893 30
Total Assets	<u>164 508 18</u>	<u>17 804 08</u>	<u>182 312 26</u>
<u>Liabilities and Fund Equity</u>			
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity:			
Fund balances:			
Reserved for debt service	-	17 804 08	17 804 08
Unreserved:			
Designated for cemetery	45 038 02	-	45 038 02
Designated for roads	52 564 25	-	52 564 25
Designated for building	5 221 52	-	5 221 52
Undesignated	61 684 39	-	61 684 39
Total fund equity	<u>164 508 18</u>	<u>17 804 08</u>	<u>182 312 26</u>
Total Liabilities and Fund Equity	<u>164 508 18</u>	<u>17 804 08</u>	<u>182 312 26</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

GOVERNMENTAL FUNDS
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO STATEMENT OF NET ASSETS
March 31, 2008

TOTAL FUND BALANCES – GOVERNMENTAL FUNDS	182 312 26
Amounts reported for governmental activities in the statement of net assets are different because –	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet:	
Capital assets at cost	800 729 57
Accumulated depreciation	(306 354 99)
Long-term debt liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:	
Loan payable	<u>(35 337 61)</u>
TOTAL NET ASSETS – GOVERNMENTAL ACTIVITIES	<u><u>641 349 23</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
Year ended March 31, 2008

	<u>General</u>	<u>Other Funds (Fire D/S)</u>	<u>Total</u>
Revenues:			
Property taxes	40 616 05	-	40 616 05
Other taxes	4 165 63	-	4 165 63
Licenses and permits	10 171 00	-	10 171 00
State revenue sharing	122 889 34	-	122 889 34
Charges for services – PTAF	10 918 95	-	10 918 95
Charges for services – other	14 459 88	-	14 459 88
Interest	6 506 41	832 22	7 338 63
Hall rental	2 345 00	-	2 345 00
Miscellaneous	6 815 84	12 31	6 828 15
Total revenues	<u>218 888 10</u>	<u>844 53</u>	<u>219 732 63</u>
Expenditures:			
Legislative:			
Township Board	3 199 65	-	3 199 65
General government:			
Supervisor	6 979 92	-	6 979 92
Elections	2 707 92	-	2 707 92
Assessor	79 629 50	-	79 629 50
Clerk	14 260 00	-	14 260 00
Board of Review	1 983 15	-	1 983 15
Treasurer	11 931 96	-	11 931 96
Building and grounds	15 024 81	-	15 024 81
Cemetery	6 661 92	-	6 661 92
Unallocated	31 113 74	-	31 113 74
Public safety:			
Fire protection	26 401 83	-	26 401 83
Liquor law enforcement	1 054 00	-	1 054 00
Zoning	3 676 61	-	3 676 61
Public works:			
Highways and streets	6 555 11	-	6 555 11
Recreation and culture:			
Parks and recreation	4 122 18	-	4 122 18
Inspections	10 006 00	-	10 006 00
Capital outlay	1 278 00	-	1 278 00
Debt service	10 757 28	-	10 757 28
Total expenditures	<u>237 343 58</u>	<u>-</u>	<u>237 343 58</u>
Excess (deficiency) of revenues over expenditures	(18 455 48)	844 53	(17 610 95)
Fund balance, April 1	<u>182 963 66</u>	<u>16 959 55</u>	<u>199 923 21</u>
Fund Balance, March 31	<u>164 508 18</u>	<u>17 804 08</u>	<u>182 312 26</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

GOVERNMENTAL FUNDS-
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year ended March 31, 2008

NET CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS (17 610 95)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures; in the statement of activities,
these costs are allocated over their estimated useful lives as depreciation expense.

Depreciation Expense	(29 591 20)
Capital asset purchases capitalized	1 278 00

Repayment of debt principal is an expenditure in the governmental funds,
the repayment does not have an effect in the statement of activities
but does reduce the debt balance in the statement of net assets.

Principal payments on long term debt	<u>8 829 64</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>(37 094 51)</u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2008

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the Township of Maple Ridge, Alpena County, Michigan, conform to generally accepted accounting principles as applicable to governmental units.

Reporting Entity

The financial statements of the Township contain all the Township funds that are controlled by or dependent on the Township's executive or legislative branches.

The reporting entity is the Township of Maple Ridge. The Township is governed by an elected Township Board. As required by generally accepted accounting principles, these financial statements present the Township as the primary government.

Government-Wide and Fund Financial Statements

The government-wide financial statements, (the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All the Township's government-wide activities are considered governmental activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments and other items not properly included among program revenues are reported as general revenue.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2008

Note 1 – Summary of Significant Accounting Policies (continued)

Governmental Funds

General Fund

This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants, and other intergovernmental revenues.

Debt Service Fund

This fund is used to record revenues which are restricted for the payment of principal and interest on long-term debt.

Fiduciary Fund

The Current Tax Collection Fund is used to account for assets held as an agent for others.

Assets, Liabilities and Net Assets or Equity

Bank deposits and investments – Cash and cash equivalent investments include cash on hand, demand deposits, certificates of deposit and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables

Receivables have been recognized for all significant amounts due to the Township. Allowances for uncollectible accounts have not been provided for in that collection is not considered doubtful and any uncollected amount would be immaterial.

Inventories

Inventories of supplies are considered to be immaterial and are not recorded.

Property Taxes

Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned.

Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county tax rolls. The 2007 tax roll millage rate was .9971 mills, and the taxable value was \$40,449,226.00.

Encumbrances

Encumbrances involving the current recognition of purchase orders, contracts and other commitments for future expenditures are not recorded.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2008

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are defined by the Township as assets with an initial cost of more than \$500.00 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings, additions and improvements	10 - 30 years
Furniture and equipment	3 - 30 years

Compensated Absences (Vacation and Sick Leave)

Employees are not allowed to accumulate vacation and sick pay.

Post-employment Benefits

The Township provides no post-employment benefits to past employees.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Note 2 – Budgets and Budgetary Accounting

The following procedures are followed in establishing the budgetary data reflected in these financial statements:

1. Prior to the beginning of the fiscal year, the proposed budget for each budgetary fund is submitted to the Township Board for consideration.
2. The proposed budgets include expenditures as well as the methods of financing them.
3. Public hearings are held to obtain taxpayer comments.
4. The budgets are adopted at the activity level by a majority vote of the Township Board.
5. The budgets are adopted on the modified accrual basis of accounting.
6. The originally adopted budgets can be amended during the year only by a majority vote of the Township Board.
7. The adopted budgets are used as a management control device during the year for all budgetary funds.
8. Budget appropriations lapse at the end of each fiscal year.
9. The budgeted amounts shown in these financial statements are the originally adopted budgets with all amendments that were approved by the Township Board during the fiscal year.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2008

Note 3 – Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; banker's acceptance of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township Board has designated one financial institution for the deposit of Township funds. The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investment in all investments authorized by state law as listed above.

The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3, risk disclosures for the cash deposits are as follows:

	<u>Carrying Amounts</u>
Total Deposits	<u>102 159 20</u>

Amounts in the bank balances are without considering deposits in transit or uncleared checks.

	<u>Bank Balances</u>
Insured (FDIC)	101 439 64
Uninsured and Uncollateralized	<u>1 776 86</u>
Total Deposits	<u>103 216 50</u>

The Township had the following investments at March 31, 2008:

Nonrisk-categorized financial institution pooled funds	<u>74 265 00</u>
Total	<u>74 265 00</u>

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Township manages its exposure to interest rate risk is by participating in financial institution pooled funds and in mutual funds which hold diverse investments that are authorized by law for direct investments.

Concentration of Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The financial institution pooled funds and the mutual funds do not have a rating provided by a nationally recognized statistical rating organization.

The investment policy of the Township contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by Michigan law.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2008

Note 3 – Deposits and Investments (continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Michigan law and the Township's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Michigan law and the Township's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investment, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Note 4 – Capital Assets

Capital asset activity of the Township's Governmental activities for the current year was as follows:

	Balance 4/1/07	Additions	Deletions	Balance 3/31/08
<u>Governmental Activities:</u>				
Land	14 889 12	-	-	14 889 12
Buildings	280 217 45	-	-	280 217 45
Equipment	504 345 00	1 278 00	-	505 623 00
Total	799 451 57	1 278 00	-	800 729 57
Accumulated Depreciation	(276 763 79)	(29 591 20)	-	(306 354 99)
Net Capital Assets	<u>522 687 78</u>	<u>(28 313 20)</u>	<u>-</u>	<u>494 374 58</u>

Note 5 – Pension Plan

The Township does not have a pension plan.

Note 6 – Deferred Compensation Plan

The Township does not have a deferred compensation plan.

Note 7 – Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for property loss, torts and workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 8 – Building Permits

As of March 31, 2008, the Township had building permit revenues of \$10,171.00 and building permit expenses of \$10,006.00.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2008

Note 9 – Changes in Long-Term Debt

A summary of changes in long-term debt follows:

	<u>Balance</u> <u>4/1/07</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>3/31/08</u>
Loan Payable	<u>44 167 25</u>	<u>-</u>	<u>8 829 64</u>	<u>35 337 61</u>

Note 10 – Loan Payable

On September 21, 2006, the Township obtained a loan in the amount of \$47,500.00 for an addition to the Township Hall. The loan payable requires monthly payments of \$896.44, including interest at the rate of 4.8% per annum. As of March 31, 2008, the principal balance outstanding was \$35,337.61.

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year ended March 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:				
Property taxes	49 000 00	49 000 00	40 616 05	(8 383 95)
Other taxes	6 000 00	6 000 00	4 165 63	(1 834 37)
Licenses, permits and inspections	12 000 00	12 000 00	10 171 00	(1 829 00)
State revenue sharing	117 580 00	117 580 00	122 889 34	5 309 34
Charges for services – PTAF	7 800 00	7 800 00	10 918 95	3 118 95
Charges for services – other	8 000 00	8 000 00	14 459 88	6 459 88
Interest	7 710 00	7 710 00	6 506 41	(1 203 59)
Hall rental	2 500 00	2 500 00	2 345 00	(155 00)
Miscellaneous	3 100 00	3 100 00	6 815 84	3 715 84
Total revenues	<u>213 690 00</u>	<u>213 690 00</u>	<u>218 888 10</u>	<u>5 198 10</u>
Expenditures:				
Legislative:				
Township Board	3 860 00	3 850 00	3 199 65	(650 35)
General government:				
Supervisor	7 335 00	7 335 00	6 979 92	(355 08)
Elections	2 590 00	2 708 00	2 707 92	(08)
Assessor	77 000 00	79 799 00	79 629 50	(169 50)
Clerk	14 260 00	14 260 00	14 260 00	-
Board of Review	2 200 00	2 200 00	1 983 15	(216 85)
Treasurer	12 220 00	12 220 00	11 931 96	(288 04)
Buildings and grounds	15 450 00	15 450 00	15 024 81	(425 19)
Cemetery	6 535 00	6 737 00	6 661 92	(75 08)
Unallocated	36 450 00	38 530 00	31 113 74	(7 416 26)
Public safety:				
Fire protection	32 430 00	32 430 00	26 401 83	(6 028 17)
Liquor law enforcement	1 015 00	1 115 00	1 054 00	(61 00)
Zoning	6 360 00	6 360 00	3 676 61	(2 683 39)
Public works:				
Highways and streets	12 000 00	12 000 00	6 555 11	(5 444 89)
Recreation and culture:				
Parks and recreation	3 125 00	4 125 00	4 122 18	(2 82)
Inspections	10 800 00	10 800 00	10 006 00	(794 00)
Capital outlay	1 300 00	1 300 00	1 278 00	(22 00)
Debt service	10 760 00	10 760 00	10 757 28	(2 72)
Contingency	22 000 00	15 701 00	-	(15 701 00)
Total expenditures	<u>277 690 00</u>	<u>277 680 00</u>	<u>237 343 58</u>	<u>(40 336 42)</u>
Excess (deficiency) of revenues over expenditures	(64 000 00)	(63 990 00)	(18 455 48)	45 534 52
Fund balance, April 1	<u>64 000 00</u>	<u>63 990 00</u>	<u>182 963 66</u>	<u>118 973 66</u>
Fund Balance, March 31	<u>-</u>	<u>-</u>	<u>164 508 18</u>	<u>164 508 18</u>

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT
Year Ended March 31, 2008

Township Board:	
Wages	1 955 00
Publishing and printing	229 87
Education and dues	1 014 78
	<u>3 199 65</u>
Supervisor:	
Salary	6 499 92
Travel	460 00
Education and dues	20 00
	<u>6 979 92</u>
Elections:	
Wages	2 666 40
Miscellaneous	41 52
	<u>2 707 92</u>
Assessor:	
Contracted services	78 766 00
Supplies	863 50
	<u>79 629 50</u>
Clerk:	
Salary	13 710 00
Salary – Deputy Clerk	400 00
Travel	150 00
	<u>14 260 00</u>
Board of Review:	
Wages	1 442 00
Publishing and printing	187 55
Travel	89 60
Education and dues	264 00
	<u>1 983 15</u>
Treasurer:	
Salary	11 019 96
Salary – Deputy Treasurer	500 00
Travel	412 00
	<u>11 931 96</u>
Building and grounds:	
Wages	2 467 25
Supplies	4 377 09
Contracted services	1 090 75
Utilities	3 401 68
Telephone	2 165 47
Mileage	204 00
Repairs and maintenance	1 318 57
	<u>15 024 81</u>
Cemetery:	
Wages	5 612 00
Supplies	462 60
Repairs and maintenance	57 21
Utilities	296 91
Mileage	233 20
	<u>6 661 92</u>

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT
Year Ended March 31, 2008

Unallocated:	
Equalization	2 792 64
Attorney	5 400 00
Insurance	15 517 00
Payroll taxes	4 364 33
Miscellaneous	3 039 77
	<u>31 113 74</u>
Fire protection:	
Wages	11 346 00
Supplies	6 687 61
Utilities	1 493 09
Repairs and maintenance	499 09
Telephone	1 317 83
Travel	174 85
Electricity	588 07
Education	1 455 60
Fuel	1 161 22
Miscellaneous	1 678 47
	<u>26 401 83</u>
Liquor law enforcement:	
Wages	714 00
Supplies	340 00
	<u>1 054 00</u>
Zoning:	
Wages	2 507 02
Travel	16 80
Publishing	1 052 79
Education	100 00
	<u>3 676 61</u>
Highways and streets	<u>6 555 11</u>
Parks and recreation:	
Wages	1 092 00
Supplies	663 69
Repairs and maintenance	2 205 29
Mileage	161 20
	<u>4 122 18</u>
Inspections:	
Wages	<u>10 006 00</u>
Capital outlay	<u>1 278 00</u>
Debt service	<u>10 757 28</u>
Total Expenditures	<u>237 343 58</u>

TOWNSHIP OF MAPLE RIDGE
Alpena County, Michigan

CURRENT TAX COLLECTION FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended March 31, 2008

	<u>Balance</u> <u>4/1/07</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>3/31/08</u>
<u>Assets</u>				
Cash in Bank and Investments	<u>-</u>	<u>989 053 27</u>	<u>989 048 03</u>	<u>5 24</u>
<u>Liabilities</u>				
Due to other funds	-	49 931 45	49 931 45	-
Due to others	<u>-</u>	<u>939 121 82</u>	<u>939 116 58</u>	<u>5 24</u>
Total Liabilities	<u>-</u>	<u>989 053 27</u>	<u>989 048 03</u>	<u>5 24</u>

CAMPBELL, KUSTERER & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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AUDIT COMMUNICATION AND REPORT OF COMMENTS AND RECOMMENDATIONS

July 1, 2008

To the Township Board
Township of Maple Ridge
Alpena County, Michigan

We have audited the financial statements of the Township of Maple Ridge for the year ended March 31, 2008. As required by auditing standards generally accepted in the United States, the independent auditor is required to make several communications to the governing body having oversight responsibility for the audit. The purpose of this communication is to provide you with additional information regarding the scope and results of our audit that may assist you with your oversight responsibilities of the financial reporting process for which management is responsible.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES

We conducted our audit of the financial statements of the Township of Maple Ridge in accordance with auditing standards generally accepted in the United States. The following paragraph explains our responsibilities under those standards.

Management has the responsibility for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for the safeguarding of assets, and for devising an internal control structure that will, among other things, help assure the proper recording of transactions. The transactions that should be reflected in the accounts and in the financial statements are matters within the direct knowledge and control of management. Our knowledge of such transactions is limited to that acquired through our audit. Accordingly, the fairness of representations made through the financial statements is an implicit and integral part of management's accounts and records. However, our responsibility for the financial statements is confined to the expression of an opinion on them. The financial statements remain the responsibility of management.

The concept of materiality is inherent in the work of an independent auditor. An auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than those items of lesser importance or those in which the possibility of material error is remote.

For this purpose, materiality has been defined as "the magnitude of an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement."

An independent auditor's objective in an audit is to obtain sufficient competent evidential matter to provide a reasonable basis for forming an opinion on the financial statements. In doing so, the auditor must work within economic limits; the opinion, to be economically useful, must be formed within a reasonable length of time and at reasonable cost. That is why an auditor's work is based on selected tests rather than an attempt to verify all transactions. Since evidence is examined on a test basis only, an audit provides only reasonable assurance, rather than absolute assurance, that financial statements are free of material misstatement. Thus, there is a risk that audited financial statements may contain undiscovered material errors or fraud. The existence of that risk is implicit in the phrase in the audit report, "in our opinion."

To the Township Board
Township of Maple Ridge
Alpena County, Michigan

In the audit process, we gain an understanding of the internal control structure of an entity for the purpose of assisting in determining the nature, timing, and extent of audit testing. Our understanding is obtained by inquiry of management, testing transactions, and observation and review of documents and records. The amount of work done is not sufficient to provide a basis for an opinion on the adequacy of the internal control structure.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are described in Note 1 to the financial statements.

OTHER COMMUNICATIONS

Auditing standards call for us to inform you of other significant issues such as, but not limited to, 1) Accounting estimates that are particularly sensitive because of their significance to the financial statements or because of the possibility that future events affecting them may differ markedly from management's current judgments; 2) Significant audit adjustments that may not have been detected except through the auditing procedures we performed; 3) Disagreements with management regarding the scope of the audit or application of accounting principles; 4) Consultation with other accountants; 5) Major issues discussed with management prior to retention; and 6) Difficulties encountered in performing the audit.

We have no significant issues, regarding these matters, to report to you at this time. Audit adjustments were minimal, and are available to review.

COMMENTS AND RECOMMENDATION REGARDING INTERNAL CONTROLS/ COMPLIANCE/ EFFICIENCY

Our procedures disclosed the following conditions that we would like to bring to your attention:

SEGREGATION OF DUTIES

The Township's system of internal control is affected by the size of the staff that it can employ.

The ultimate accounting system would include enough employees to completely segregate all aspects of each transaction. Different departments or individuals would handle: transaction authorization, transaction execution, asset handling, recording of transactions, review of transactions and subsequent control of assets.

The Township cannot enact a complete segregation of all aspects of each transaction due to the nature of local units of government. The "cost to benefit" relationship also would not justify a complete segregation of all duties.

We recommend that the Township Board Members understand these circumstances when performing their oversight responsibilities.

These conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our audit of the Township's financial statements and this communication of these matters does not affect our report on the Township's financial statements, dated March 31, 2008.

SUMMARY

We welcome any questions you may have regarding the foregoing comments and we would be happy to discuss any of these or other questions that you might have at your convenience.

Sincerely,


CAMPBELL, KUSTERER & CO., P.C.
Certified Public Accountants